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FM AMEMBASSY MANAGUA  
TO RUEHC/SECSTATE WASHDC 2723  
INFO RUEATRS/DEPT OF TREASURY WASHINGTON DC  
RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE

UNCLAS MANAGUA 000724

STATE FOR WHA/CEN, EB/IFD/OIA AND L/CID  
STATE FOR WHA/EPSC  
STATE PLEASE PASS TO USTR  
TREASURY FOR INL AND OWH

SENSITIVE  
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E.O. 12958: N/A  
TAGS: [EINV](#) [ECON](#) [USTR](#) [KIDE](#) [NU](#)  
SUBJECT: NICARAGUA: GON UNDER PRESSURE TO RESOLVE U.S. CLAIMS

REFS: A) MANAGUA 633, B) MANAGUA 564, C) MANAGUA 424,  
D) MANAGUA 287, E) MANAGUA 173

11. (SBU) During the May 29 monthly Property Working Group meeting, the head of the Office of Assessment and Indemnification stated that on June 16 the Government of Nicaragua (GON) would close the administrative process for 42 claims it considers resolved and place the indemnification bonds equivalent to the GON's final settlement offer in escrow at the Ministry of Finance for distribution to the claimants at a later date. Econoff pressed the GON for more flexibility to allow U.S. claimants to defend 14 claims the GON dismissed administratively. GON officials asserted that they are working diligently to resolve as many claims as possible before the end of the waiver year. The willingness of working-level officials to engage more constructively to resolve claims reflects a recognition on the part of the GON that this year's waiver decision is not a done deal.

FINAL OFFERS ON 42 CLAIMS TO BE DEPOSITED IN ESCROW  
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12. (SBU) During the May 29 monthly Property Working Group meeting, Econoff met with the head of the Office of Assessment and Indemnification (OCI), the director of the National Confiscations Review Commission (CNRC), and an official from the Office of the Property Superintendent to discuss the status of 42 claims that, in the GON's view, are ready for final settlement, pending additional paperwork and claimant signatures (Refs A and B). Ruth Zapata, the head of OCI, asserted that 15 out of the 42 claims might be resolved by June 6, noting that the GON had already sent the Embassy five final settlement documents, "finiquitos" (septel).

13. (SBU) Econoff asked Zapata to clarify how the GON would close a case if claimants did not accept the final settlement offer by the GON's June 16 deadline, recently extended from May 15 (Ref A). She answered that closing a case would preclude claimants from further administrative recourse; the GON would deposit indemnification bonds (BPIs) equivalent to the GON's final settlement offer in escrow with the Finance Ministry for claimants to withdraw later. Claimants who refuse the settlement offers must take their cases to court.

SOME FLEXIBILITY ON DISMISSED CLAIMS  
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14. (SBU) Econoff pressed GON officials to allow U.S. claimants to defend 14 claims that the GON recently dismissed administratively. The director of the CNRC, Jeanette Garcia, said she would review the claims and send us a list of documents that claimants needed to provide to advance their cases. Zapata noted that because of the attention the case has received in Washington, the GON is reviewing the previously dismissed claim of U.S. citizen Uri Kollnesher, whose property is under control of the parastatal holding company CORNAP.

15. (SBU) Property Office staff and GON officials reviewed 60 additional claims, including cases under the control of the Nicaraguan Army and government ministries, about which that the Ambassador had written Attorney General Hernan Estrada to request additional information. GON officials discussed the status of each case and they asserted that they are working diligently to resolve as many claims as possible before the end of the Section 527 waiver year. Zapata highlighted that the GON has loosened its application of relevant law in some instances to resolve more claims, such as signing finiquitos before receiving the requisite paperwork from claimants. In the case of U.S. claimant Eva Navarro, for example, Zapata noted that OCI will not require her family to formally notify the public property registry to expedite the settlement of this claim. Zapata explained that heirs are normally required to notify the registry of their inheritance rights and pay property taxes before receiving compensation. Zapata noted that the GON will not require the heirs to pay property taxes in this case.

COMMENT

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16. (SBU) The Ambassador's recent meetings with Attorney General Estrada and Foreign Minister Santos, as well as the Department's engagement on this issue with Nicaraguan Ambassador Cruz in Washington, signaled to the GON USG concern about the lack of progress in resolving claims. The willingness of working-level officials to engage more constructively to resolve claims may well reflect a recognition on the part of the GON that this year's waiver decision is not a done deal.

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